

North Dakota Lottery

Minutes of the Retail Advisory Board Meeting

July 21, 2005

Attendance

A meeting of the Retailer Advisory Board was held at 1:00 - 3:00 p.m. on July 21, 2005 in the Peace Garden Room of the State Capitol in Bismarck. Representing the Board were Scott Abernathy (Superpumper, Minot), Darla Jost (J's Stop N Go, Burlington), Sherri Erickson (Leever's, Grand Forks), Don Heidt (DJ's, Dickinson), and LaRayne Haakenson (Stamart, Bismarck). Representing the North Dakota Lottery were Chuck Keller (Director), Eileen Walsh (Sales and Marketing Specialist), Sherry Maragos (Customer Service Specialist), Scott Tarno (Customer Service Specialist). Representing Scientific Games was Dan Nameniuk, field service supervisor.

Mr. Keller chaired the meeting.

Introduction

Mr. Keller thanked the Board members for attending the meeting, and recommending the new brochure holders. Mr. Nameniuk said that to-date 330 brochure holders had been placed and the remaining 70 would be placed soon. Mr. Keller said the Lottery is procuring new winning number and jackpot awareness signs for retailers.

Mr. Keller stated the Lottery had initially projected \$11 million in sales and \$1.4 million in state general fund revenue for the 2003-05 biennium. Actual results were \$25 million in sales and \$7.2 million in state general fund revenue. The projection for the 2005-07 biennium is \$36 million in sales and \$10 million in state general fund revenue.

Attorney General Wayne Stenehjem stopped by to thank the members for their interest in and volunteering to serve on the Board.

Summer Winner Awareness Campaign

Ms. Walsh distributed an informational document on the Lottery's summer winner awareness campaign. She stated that the Lottery cannot release winning players' names without authorization. Ms. Haakenson suggested that the Lottery's advertising reference the town or city with the name of the retailer where the ticket was bought.

Mandan July 4 th Parade

Mr. Tarno distributed an informational document on Lady Luck's visit to Mandan/Bismarck on July 4 th. He presented an overview of Lady Luck's participation in the Mandan parade and promotional activities with several retailers.

North Dakota State Fair

Ms. Maragos presented an overview of the Lottery's planned participation at the State Fair in Minot during July 22 - July 31. The Lottery will have a car in the parade and has a booth. She explained the State Fair Sweepstakes, Power Play wheel, and premium incentive items that would be awarded as prizes. The Lottery will not be selling tickets.

10 Millionth Ticket Promotion

Ms. Walsh distributed an informational document on the 10 Millionth Ticket Promotion. She explained the point-of-sale items, media coverage, and promotional rules. The rules for the promotion are being sent to retailers and will be on the Lottery's website. The date of the sale of the 10 millionth ticket is dependent on the pace at which tickets are sold. That pace will relate to the size of the Powerball, Hot Lotto, and Wild Card 2 jackpots and success of the promotion. There was discussion on the pros and cons of retailers giving players back their winning tickets. It was suggested that retailers retain the cash payout receipts to reconcile the daily cash pay outs on winning tickets.

Jackpot Awareness/Call to Action Electronic Sign

Mr. Keller said the Request for Proposals for new jackpot awareness/call to action signs is being drafted.

New Game

Mr. Keller said the Lottery's 4 th game "2by2" is planned to be launched in early 2006.

Powerball Enhancements

Mr. Keller said a letter is being sent to retailers explaining the enhancements to the Powerball game that are effective August 28. He explained the multiple draw step-down process that would apply through August 27, new odds and prize structure, and payout of the annuity amount on an incremental basis. Ms. Walsh distributed wallet-size cards with the new Powerball/Power Play payout tables. New game brochures and play slips would be distributed to retailers by August 27.

Subscriptions

Mr. Keller indicated the Lottery plans to start selling subscriptions on November 1 st. He explained subscriptions and indicated that retailers that print subscription applications from their lottery terminals or provide subscription applications directly to players would receive a commission on those subscription sales. However, if players download subscription applications from the Lottery's website, no retailers would be identified with those subscriptions and there would be no retailer commission.

Retailer Participation in Lottery Promotions

Mr. Keller asked the Board members to recommend a policy related to working with retailers that had a restrictive policy on Lottery promotional prizes that are won by retailers or their employees. The members recommended that retailers' various policies should be honored.

Give-A-Gift

Mr. Keller asked the Board members to recommend how the Lottery could increase Give-A-Gift sales. The members recommended that the Lottery clarify the Give-A-Gift option, educate retailers' clerks, and sell certificates in \$5 increments.

New Brochure Holders

The Board members repeated their support for the new brochure holders.

Expectations

A questionnaire related to critiquing the Lottery and Scientific Game's performance was distributed to the Board Members to complete. Mr. Keller indicated the Lottery plans to be more visible at the retailers in the future.

Heard on the Street/Other

Ms. Erickson stated that the response time of the lottery terminals seemed slow in the mornings after a draw day. Mr. Nameniuk explained that this occurs when Scientific Games upgrades the terminal software which is normally done on the day after draws.

Ms. Walsh asked Board members if game information provided to players helps drive sales of tickets. The members indicated that it was effective. Ms. Haakenson asked if retailers could use winner awareness cards if they didn't

know the names of winning players. Ms. Walsh indicated that retailers could and to leave the name blank.

Mr. Heidt asked if the Power Play wheel could be used for in-store promotions. The primary intended use of the wheel is for retailer in-store promotions.

The Board members suggested doing a future marketing promotion for managers.

The next Board meeting will be scheduled for October 2005.